



Newsletter

FINANCING HOUSING IN AFRICA

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Housing and Africa's Growth Agenda: 32nd AUHF Annual Conference and AGM

September was a special month for the African Union for Housing Finance (AUHF), as the 32nd AUHF Annual Conference and AGM, co-hosted with the Nigeria Mortgage Refinance Company (NMRC) took place successfully in Abuja, Nigeria from the 14 – 16 September 2016. The conference took place over 3 days, and was attended by 184 delegates from over 23 countries globally. Participation included various international and local organizations with experts from the private, DFIs, and NGO sectors, in addition to royalty, as well as government ministries.

The conference kicked off with a [press session](#) on Monday 12 September whereby representatives from the AUHF, Central Bank of Nigeria, and NMRC shed light on the purpose of the conference and the anticipated outcome. [Press coverage](#) throughout the three days was extensive, both in Nigeria and wider afield. The conference presentations were not limited to the Nigerian economy, but addressed experiences from across the continent, incorporating similar challenges, opportunities and solutions. All presentations from the conference are available on the AUHF's website: <http://www.auhf.co.za/conference/housing-and-africas-growth-agenda/>

Affordable housing is a key challenge across Africa, critical to both human and economic development. The theme of this year's conference was ***Housing and Africa's Growth Agenda*** and focused on examining possible solutions for the increasing housing deficit, finding effective means of mobilizing funds and investment opportunities for affordable housing, as well as recognizing the potential growth the housing sector adds to the economy. In Nigeria, the recorded housing backlog is estimated to be 17 million housing units, and the real estate sector was said to have contributed approximately 11 percent to the GDP in 2014. Access to housing is a critical issue, in part due to affordability constraints. If the house price was brought down to \$15,000 this would increase the number of households who could afford to buy housing with a mortgage to about 35% of Nigeria's urban population, and could potentially create US\$99 trillion in investments, and create an estimated 4 million jobs. Thus the housing sector has the potential to contribute to the growth of the economy, increase investments and job creation.

On day one, the conference opened with a welcome address from the Central Bank of Nigeria and from the NMRC. A [keynote from the Minister of Power, Works and Housing](#), Mr Babatunde Raji Fashola (SAN) was delivered by a representative of the Minister, who shared that housing a population of over 180 million people was an arduous task and that the delivery of housing could never be the Federal government's responsibility alone – various stakeholders are required to make this sector work. In addition, at the National Housing Summit, the ministry had identified housing finance as one of the major pillars necessary for realizing affordable housing delivery in Nigeria, apart from other aspects such as land, concessions/incentives, general skills acquisition to mention a few.

Then, the private sector keynote was presented by [Thierno-Habib Hann of the International Finance Corporation \(IFC\)](#), focusing on housing and housing finance in Africa as an engine for economic growth. Mr Hann explained the importance of recognising some of the challenges experienced in African urban centres as opportunities for the housing sector and that IFC was looking to boost the development of the affordable housing sector. A key focus of his presentation was on the critical need for data. He outlined the sorts of data that was required and urged both the private and the public sectors, as well as the media, to engage with this issue.

Other presentations referred to **Public Private Partnerships (PPP) as an enabler for growth in affordable housing delivery**; focusing on how the private and public sector could work together in being a catalyst for growth and promoting the affordable housing sector. Femi Adewole from Shelter Afrique noted that PPP's work when the two parties involved trust each other, have a common goal, agree, and communicate amongst other important principles. Mr Adewole added that the public sector resources alone could never finance the housing needs, or address the housing deficit hence the significance of a well-functioning, customised and suitable model for each country, thus the unavailability of pre-packaged PPP models for universal applicability. In Nigeria, the Federal Integrated Staff Housing programme has been created as a strategy to deliver affordable housing for the civil servants and mitigate unilateral form of PPP whereby the government is the only player.

Other presentations were on **Growing Africa's Mortgage Markets**. [Dr Femi Johnson from the Mortgage Banking Association of Nigeria](#) shared that the mortgage sector makes up 1% of the GDP, and that only about 5% of the 13.7 million housing units in Nigeria were currently financed with mortgages. This was resultant from numerous factors such as amongst others; lack of foreclosure law, inadequate cadastral system, high inflation, few eligible borrowers (due to high cost of funds) as well as lack of long term funds which the NMRC is attempting to address through refinance solution.

Simon Gusah from the Urban BASE Consulting did a presentation on [Harnessing Opportunities on the Demand Side](#) which emphasized the need for experts in the housing sector to study how the local communities were building their own houses, to facilitate housing and financing models that support and improve these initiatives. Mr Gusah said affordable housing is simply defined as "housing that people can afford" and that every programme experts and governments create, should take that into consideration. This point was also made by the Ooni of Ife, who added that housing developed in ancient times by the ancestors across Africa lasted for generations, and that experts should consider adopting and improving the same concepts, materials and methodologies they used.

Growing the Capacity of Housing Microfinance session included presentations on partnering with microfinance to deliver affordable housing – takeaways from [LafargeHolcim's experience in Africa](#), and Habitat for Humanity International, and Select Africa's presentation on [scaling up housing microfinance: the case of Kenya Women Microfinance Bank \(KWFT\), Mibanco, and Select](#). The last session **priming the housing sector to foster greater growth** included a presentation by Dr. Friedemann Roy from IFC which focused on an Investor perspective in attracting capital to Africa, and a discussion with Simon Walley of the World Bank on how to take the issues from the conference forward.

The conference was concluded with the AUHF's AGM and site visit to two housing projects owned by [Urban Shelter Limited](#) – Nigeria; [Brick City Views Estates](#) (affordable housing project) and [Bella Vue Estates](#) (higher-end income housing project) both in Abuja, Nigeria.

Additional highlights to the conference included:

1. Lafarge Africa Plc – **2nd Nigerian edition of the Housing Microfinance Academy** which is part of a series of events organized by LafargeHolcim to enhance HMF availability for low/middle-income people around the globe.
2. **Housing Investment Marketplace**, supported by Making Finance Work 4 Africa is a platform that offers development finance institutions, investors, and housing practitioners, an opportunity for face-to-face meetings to discuss possible projects and initiatives in Africa's affordable housing finance sector.

ABUJA DECLARATION ON HOUSING FINANCE 2015

The African Union for Housing Finance (AUHF) members met with colleagues from the public and private sectors from over twenty countries over the three days of the conference, and held its 32nd Annual General Meeting in Abuja, Nigeria, on 16 September 2016, to deliberate and express the commitment the Association has in driving investment in Africa's housing sector, so that it contributes substantially to Africa's growth agenda. **Download and read more:** <http://bit.ly/2dYvHIQ>

The AUHF Board and its members extends a warm appreciation to everyone who contributed to the conference's success including all the [partners, sponsors and exhibitors](#) who contributed to the conference, as well as the [speakers](#) and delegates who participated and attended the conference.

View the conference pictures on the AUHF [Facebook page](#):

In addition, the Centre for Affordable Housing Finance – CAHF (secretariat to the AUHF) launched the 2016 edition of its Housing Finance Yearbook, setting out the housing finance situation in now 51 African countries. To access CAHF's 2016 Housing Finance in Africa Yearbook, visit: <http://bit.ly/HousingFinanceAfricaYearbook2016>.

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EVENTS

Member Events

19 - 20 October 2016 | Housing Finance Bank of Uganda: Housing Conference | Kampala, Uganda

19 – 21 October 2016 | [The MasterCard Foundation Symposium – Financial Inclusion 2016](#) | Kigali, Rwanda | Habitat for Humanity International - Europe, Middle East, and Africa

External Events

17-20 October 2016 | [Habitat III](#) | Quito, Ecuador

20 – 21 October 2016 | [4th Annual GRI Africa Summit](#) | Johannesburg, South Africa | **AUHF members should contact Secretariat for a 10% discount**

24 – 25 October 2016 | [Housing and Residential Development in Egypt](#) | Cairo, Egypt

2 – 3 November 2016 | [African Real Estate Infrastructure Summit](#) | Cape Town, South Africa | **AUHF members should contact Secretariat for a 25% discount**

16 – 17 November 2016 | [West Africa Property Investment Summit 2016](#) | Kempinski Hotel | Accra, Ghana | **AUHF members should contact Secretariat for a 20% discount**

30 November – 1 December 2016 | [African Capital Market Conference](#) | Cape Town International Convention Centre (CTICC), Cape Town, South Africa | **AUHF members should contact Secretariat for a 15% discount**

[*Let us know of any events not listed above](#)

[*Click here for our updated events page](#)

The AUHF welcomed 3 new members in September:



GAP Solutions

GAP Solutions is an affordable housing development management consultancy firm specializing in housing market analysis, investment and development facilitation, project management and Owner's rep services. **Main Contact:** Aqualine Suliali, Director.



Federal Mortgage Bank of Nigeria (FMBN)

FMBN is a Secondary Mortgage Institution fully owned by the Federal Government of Nigeria. Its functions includes social housing on-lending under the National Housing Fund (NHF), commercial on lending for housing, commercial mortgages refinancing, mortgage purchasing, and warehousing and Mortgage-Backed Securitisation. **Main Contact:** Richard Esin, Managing Director/CEO.



NMB Bank Limited

NMB Bank is a commercial bank that provides financial services wide array of clients including SME's, high net worth individuals and businesses. It is the principal subsidiary of NMBZ – an investment holding company in Zimbabwe. **Main Contact:** Benefit Peter Washaya, Group Chief Executive Officer.

IN THE NEWS

MEMBER NEWS

Federal Mortgage Bank of Nigeria (FMBN) has shifted its focus to households who can afford a mortgage of N5 million (approximately USD \$ 15,500) and below in order to cater for working class Nigerians in the middle and low income brackets. Households applying for this mortgage amount can capitalize the required equity

Rwanda, Kigali city has begun building over 3000 housing units targeting low income earners. The houses are being constructed in four city suburbs around Kigali and are anticipated to be ready by the end of 2016. Affordability of these houses will be achieved through the use of local durable construction materials recommended in the Kigali City Master Plan. Some of the houses are being constructed by private companies whilst some individuals will build their own houses, but

contribution and processing fees over 24 months period. Read more: <http://bit.ly/2d3oPvV>.

Botswana Housing Corporation (BHC) handed over 206 affordable housing units in Gantsi Township, Botswana for public officers. BHC is addressing the lack of accommodation and meeting the needs of the locals who are in need and willing to buy houses. Housing development in this township will attract more public officers to work in the area, change the land scape and morale of the current local households in the area. Read more: <http://bit.ly/2cKxcJt>.

Household end-user financing opportunities in Tanzania – **Watumishi Housing Company (WHC)** is planning to construct 500 housing units for public servants in Dodoma, Tanzania. The houses will be sold for Sh35 million (approximately US\$15 700) and Sh65 million (approximately US\$29 000). Read more: <http://bit.ly/2d6Et9v>.

Zambia National Building Society (ZNBS) plans to reduce the length of approving mortgages from the current 41 days to approximately 20 days to increase disbursement of mortgages from 1200 to 2700 annually. One of the strategies in place to achieve this, includes decentralisation of the approvals, and disbursements of mortgages to all branches across the country. Link: <http://bit.ly/2cBszOM>.

ACROSS AFRICA

Housing in Africa is a key sector to investment prospects given that real estate provides a return of 20 percent and more according to the PWC figures. The growing middle class, population growth and undersupply of quality and affordable real estate makes a compelling investment case. Link: <http://bit.ly/2dCkcay>.

EASTERN AFRICA

Kenya has a newly enacted Community Land Act signed into law 31 August 2016. The law was

adhering to required standards. Read more: <http://bit.ly/2deM16l>.

SOUTHERN AFRICA

South Africa – a recent study has revealed that providing dignified housing is one of South Africa's greatest challenges, especially because of the slow economy. To add, the problem is also aggravated by unemployment levels and inflation hikes, which threaten the disposable income levels of consumers. The government in partnerships, is planning to adopt various mechanisms to address the housing backlog of 1.5 million. Moreover, its evident alternative housing and housing finance solutions are required, read more: <http://bit.ly/2drjZYU>.

Namibia - The Lands Ministry is conducting a land market study to determine the extent to which communal land is being sold illegally, since the Communal Land Act prohibits such a practice. After the study is complete, the ministry plans to conduct awareness campaigns to educate and encourage people to follow the correct procedures for land allocation, read more: <http://bit.ly/2dzDBGh>.

WESTERN AFRICA

Nigeria: The Federal Government has appealed to the China-Africa Development Fund (CADFund) to support Nigeria with reasonable finances to meet the country's housing deficit. Head of Service at the Federation sought CADFund's assistance in the Federal Integrated Staff Housing (FISH) programme of the Federal Government, which she said is a Public-Private Partnership (PPP) between the Head of Service, private developers and the Federal Mortgage Bank. Link: <http://bit.ly/2d3H2t2>.

In **Ghana** a major intervention in the housing sector is underway as a mini-city and mixed-use is

passed due to the urgency by millions of Kenyans affected by de facto tenancy to state bodies. Read more: <http://tmsnrt.rs/2d9kOBV>.

being developed to create thriving communities. Additionally the project is anticipated to create over 400 thousand jobs over the period of its construction. Read more: <http://bit.ly/2d95w1p>.

This is the monthly newsletter for African Union for Housing Finance. The AUHF is a non-governmental association of 56 members from 16 countries across the African continent. Members include commercial and mortgage banks, building societies, microfinance banks/institutions, housing development corporations, and other institutions involved in the mobilisation of funds for shelter and delivery of affordable housing across the African sector.

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